

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION CONCERNING THE)	
PROPRIETY OF INTERLATA SERVICES)	
BY BELL SOUTH TELECOMMUNICATIONS,)	CASE NO. 2001-105
INC., PURSUANT TO THE)	
TELECOMMUNICATIONS ACT OF 1996)	

O R D E R

By Order dated July 13, 2001, the Commission scheduled two hearings regarding whether BellSouth Telecommunications, Inc. ("BellSouth") should gain in-region interLATA operating authority in Kentucky. The first hearing, held September 24, 2001, addressed BellSouth's performance measures. The second hearing, regarding BellSouth's compliance with §271 of the 1996 Telecommunications Act, will begin October 22, 2001. By this Order, the Commission adopts the performance measures, benchmarks and retail analogs, and penalty plan adopted by the Georgia Public Service Commission.¹

BellSouth proposed for Kentucky the Service Quality Measurements ("SQM") approved in Georgia. This proposal is contained in Exhibit AJV-1. These SQMs are identical to those approved in Georgia. However, BellSouth has proposed a Self-Effectuating Enforcement Mechanism ("SEEM") which differs substantially from that approved by the Georgia Commission. This proposal is contained in Exhibit AJV-3.

¹ Performance Measurements for Telecommunications Interconnection, Unbundling and Resale, Docket No. 7892-U, Document No. 44192 and Document No. 46998, Georgia Public Service Commission, dated January 16, 2001 and May 7, 2001 respectively.

BellSouth has argued that the SEEM in Kentucky should differ from that of Georgia because the level of competition is different and certain Tier 1 penalties (with penalties paid directly to competitive local exchange carriers) are not necessary to establish compliance in Kentucky. The CLECs argue, to the contrary, that Tier 1 penalties, as approved in Georgia, are appropriate for Kentucky.

Having considered the evidence of record, the Commission finds that the SQMs proposed by BellSouth are reasonable and should be adopted. However, the Commission also finds that the penalty plan or SEEM proposed for Kentucky may not adequately protect the Kentucky market and should, accordingly, be denied. However, BellSouth presented testimony regarding the difficulties associated with the local number portability (“LNP”) Disconnect Timeliness measure. Accordingly, a decision on the penalties for failure to meet this measurement is held in abeyance pending further review by the Georgia Commission and by this Commission.

IT IS THEREFORE ORDERED that:

1. BellSouth’s proposed SQM is adopted.
2. BellSouth’s proposed SEEM is rejected.
3. The performance measures, benchmarks and retail analogs, and penalty plan adopted by the Georgia Public Service Commission are adopted with one exception as described herein.
4. BellSouth shall measure LNP Disconnect Timeliness and hold any penalties associated with this measure in abeyance pending review, such review to be initiated no later than 6 months from the date of this Order.

5. Within 10 days of the date of this Order, BellSouth shall propose additional measures, such as those implemented in Texas, to record its performance for this function and shall hold any penalties associated with these additional measures in abeyance pending review, such review to be initiated no later than 6 months from the date of this Order.

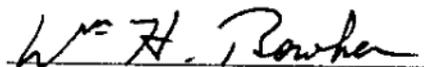
6. Within 10 days of this Order, BellSouth shall submit a tariff that contains the performance measures and penalty plan ordered herein, to be effective for service rendered on and after November 1, 2001.

7. Within 6 months of the date of this Order, BellSouth shall petition this Commission with any changes it seeks to this performance measures plan and penalty plan and shall serve a copy on all parties of record in this proceeding.

Done at Frankfort, Kentucky, this 19th day of October, 2001.

By the Commission

ATTEST:


Deputy Executive Director